

**RACE HORSE NEGOTIATION**  
**Confidential Instructions**  
**Race Horse Trainer**

You are a thoroughbred race horse trainer for Calomite Stables, the famous Kentucky racing farm. You trained the farm's up-and-coming colt, Flashdance, already named two-year-old Race Horse of the Year. Of course, all of your training, and all of Flashdance's carefully chosen races, have been aimed at the Triple Crown of thoroughbred racing – Kentucky Derby, the Preakness, and the Belmont. These are the richest races in American racing. The top three finishers at the Derby split a total purse of \$2 million and the winner's share is \$1.4 million. The Preakness purse is \$1.5 million and the Belmont purse is \$1.2 million.

Four weeks ago your regular jockey was thrown in the starting gate and suffered a shoulder separation. Since then, he has had terrible difficulties. He's had two operations already, and the doctors are pessimistic about his recovery. The Derby is in three weeks and you can't take a chance on waiting to see if he might be fit to ride. You know you've got a problem because all of the top jockeys have already committed to ride other horses in the race. You and your boss, the Calomite Stables' owner, have discussed the situation and have decided that Christo Lines might be the perfect rider for this colt. You know Lines was a top British rider, but that he has had a hard time breaking into American racing since he came to this country three years ago. You have seen him ride, and although his mounts have been second rate, he has done an excellent job. He has quiet hands and the calm, reassuring manner that Flashdance needs.

You were going to pay your regular jockey \$15,000 to ride in the Derby. Your owner has authorized you to pay Christo up to \$20,000 if necessary. Times are tough in the racing industry, however, and you'd like to hire Christo for less. If you can't make a deal you will have to use your senior exercise jockey instead. She would ride for only \$5,000 and Flashdance loves her. It's just that she doesn't have much racing experience, and you'd rather have a seasoned pro in the saddle for a big payday race like the Derby.